

250% Working Disabled Program Special Medi-Cal Program May Help Persons on Disability, with or without Medicare

Are you disabled and finding it hard to pay for your prescriptions and other medical expenses?

If you answered YES, you may be eligible for a special Medi-Cal program that could be quite beneficial to you. You may also be eligible if you previously had SSDI payments that converted to retirement benefits at full retirement age.

What is the program called?

It's called the *California Working Disabled Program*, sometimes called the 250% Working Disabled program.

What are the benefits of the Working Disabled Program?

- You are considered as having full Medi-Cal with \$0 Share of Cost.
- Your Medicare Part B premium is paid by Medi-Cal. That will give you more in your Social Security check each month to spend as you wish. In 2021 the premium for most people is \$148.⁵⁰ per month and is usually deducted from your SSDI payments.
- You will get the Low Income Subsidy for Medicare drug coverage (also called Extra Help.) Your co-pays will not exceed \$1.³⁰ for generic and \$4.⁰⁰ for brand name covered drugs. You will have no deductibles or coverage gap, and you may avoid paying a monthly premium. You can change your drug plan once a quarter during the first nine months of the year.
- You will be eligible for a Medi-Cal Managed Care Plan offered by the Contra Costa Health Plan. There are no copays associated with using this plan
- You are eligible to join a Special Needs Medicare Advantage Plan for persons with Medicare and full scope Medi-Cal. The plan, offered by Kaiser, includes drug coverage with \$1.³⁰ generic / \$4.⁰⁰ brand co-pay; no monthly premium; and no co-pays for nearly all medical services.
- You may also join a regular Medicare Advantage Plan (HMO) or change to a different one once a quarter during the first nine months of the year. You must pay the plan premium, but you are not responsible for copays or coinsurance. One plan, United Healthcare Assure, has \$0 premium for persons with Medicare and full Medi-Cal. You may not buy a Medigap insurance policy, although you can keep one if you already have it and even suspend it for up to 24 months to save premium costs.
- If you are authorized for In Home Supportive Services (IHSS), Medi-Cal will pay your provider with no share of cost.
- You can continue to build savings. Earnings from your work can go into a separate bank account and not be counted as assets for qualification purposes.

This is called the “Working Disabled Program.” But I am disabled, and I cannot work. Will Social Security cancel my Social Security Disability (SSDI) payments?

Social Security considers you are engaged in ‘substantial gainful activity’ if you earn over \$1,260 a month during 2021. In that case, they may reconsider your eligibility for SSDI. This State program has an extremely flexible definition of “work”. Income can be as low as \$5.⁰⁰ a month as long as it is earned regularly. If you do any regular work of an hour or more per month for which you are paid, this counts as work.

Examples of work are: bringing in mail for your neighbor; baby-sitting your grandchildren; pet sitting / pet walking; telephone notification / wellness calls; gardening / yard care; light housekeeping; mending; driving someone to the store; food preparation; regularly picking up recyclable items. Your “employer” can be a family member (except one with same Medi-Cal case number), a neighbor or a friend.

Who can qualify?

- If you receive Social Security Disability or other federally recognized disability benefits you may qualify.
- For this program, countable 2021 income must be below \$2,683 (individual) or \$3,629 (married). That could be as much as \$65,000 a year in work income for an individual.
- Countable income does not include disability payments from either Federal or State sources. Countable income includes:
 - About 50% of any earned income from your (or your spouse’s) work.
 - 100% of any unearned income like your spouse’s Social Security, your non-disability pension, or IRA withdrawals.
- Your unearned income from sources such as those listed above must be less than the SSI/SSP limit for 2021 of \$954 (individual) / \$1,598 (married).
- Assets like bank accounts must not exceed limits of \$2,000 (individual) / \$3,000 (married).
- You may have IRS approved retirement products, such as IRA’s or 401K accounts, which do not count against the asset limits. Unlike other Medi-Cal programs, you do not need to be receiving monthly payments from these tax-qualified plans but if you do, it counts as unearned income.
- You may apply for or continue in this program after full retirement age even though your SSDI payment officially converts to Social Security Retirement income. That income will be exempt from countable income. Any disability income from other sources which converts to retirement is considered countable unearned income.

How does the program work?

You pay a small monthly insurance premium which for an individual can be as low as \$20 a month with a maximum of \$375. The State will send you information on where and when to make your payments. You will need to remain employed and should list your income on the annual redetermination questionnaire. Medi-Cal may request verification of your employment status.

How do I apply and what documentation is needed?

If you already have Medi-Cal ‘Aged and Disabled Program’ submit W-2s or other employment verification along with the cover letter described below. If you do not have other employment documentation, the person employing you should write a letter to verify your employment. Include that signed letter to the Medi-Cal Documents Service Center, along with a cover letter requesting to be considered for the Working Disabled Program, Aid Code 6-G. Be sure to keep copies of the letters and documentation. (Sample letters are attached.)

If you do not have Medi-Cal ‘Aged and Disabled Program’ you need to start the application process and note prominently on your application that you wish to qualify for Aid Code 6-G. Include your employment documentation or verification letter. Obtain Medi-Cal applications by calling 800-709-8348 (for Contra Costa County), or on-line at:

www.dhcs.ca.gov/services/medi-cal/Pages/ApplyforMedi-Cal.aspx

For more information see the Disability Benefits 101 web site, particularly:

ca.db101.org/ca/programs/health_coverage/medi_cal/program2a.htm#250

Sample Application for Working Disabled program
For someone who currently has Medi-Cal

(HICAP can assist in preparing these on your behalf.)

Name of applicant
Address

DATE

Employment & Human Services Department
Centralized Mail-in Medi-Cal Unit
P.O. Box 4114
Concord, CA 94524

OR FAX to (925) 608-4608

Subject: Application for Aid Code 6-G
Your Name
SS# XXX-XX-XXXX Benefits Identification Card #XXXXXXXXZXXXXXX (if available)

Dear Medi-Cal:

I currently have Medi-Cal. I wish to be considered for the 250% Working Disabled Program, Aid Code 6-G.

I have enclosed a letter / pay statement verifying my employment.

I am aware that there is an insurance premium for this plan, payable to the State of California.

Please let me know if you have any questions. You may reach me at (555) 555-5555. Thank you.

(signature of applicant)

Sample employment verification letter on a new page

DATE

Employment & Human Services Department
Centralized Mail-in Medi-Cal Unit
P.O. Box 4114
Concord, CA 94524

Subject: Client Name
Employee SS# XXX-XX-XXXX
Application for 250% Working Disabled Program - Aid code 6-G

This is to verify that effective DATE I pay client name to regularly provide (Examples: Animal Care; Shopping Assistance; Household Chores; Transportation Assistance; Collecting Mail; Gardening Services; etc.) on my behalf. The amount is \$XX per month. This is a permanent position for the foreseeable future.

Yours truly,
(signature of 'employer')

Name of 'Employer'
Mailing Address
Phone number

Sample Instructions from HICAP for the client to use in submitting letters to Medi-Cal

You should prepare (or HICAP can help you) letters to sign and then mail into Medi-Cal. Your 'employer' should sign their letter. Or make a copy of your recent pay statement. You may mail this information in one envelop to the Medi-Cal Document center at P.O. Box 4114 in Concord, CA 94524 or FAX them directly to that location at (925) 608-4608.

You should call Medi-Cal at 866-663-3225 about one week after mailing the letters. Ask if the letters have been received, scanned and assigned to a case worker for consideration. If not, call back three days later and ask the same. If still no positive response, call HICAP at (925) 655-1398 and ask a volunteer counselor to call Medi-Cal on your behalf to get the process going.

A 'Notice of Action' letter should come in the mail about one week after Medi-Cal approval of your 250% Working Disabled application.

- If you have lost your prescription drug Extra Help pricing, the 'Notice of Action' letter constitutes 'Best Available Evidence' which you can use with your Medicare Part D Drug Insurance plan to get back Extra Help pricing. Just call drug insurance company customer service number.
- If you do not have a Medicare Part D Drug Insurance plan, with your 'Notice of Action' you can use a special program called LI-NET to get your drugs until you are enrolled in a Part D drug plan. HICAP can help you use this program and enroll in a drug plan that meets your needs. Eventually you will be deemed as eligible for Extra Help and will be assigned to a Medicare Part D Drug Insurance plan, or you may choose one.
- If you have a Medicare Part D Drug Insurance plan but have never received Extra Help, you should apply for Extra Help at the Social Security Web Site (search for "Extra Help Application" at SSA.GOV). Applying directly with Social Security can lead to approval for this benefit in as little as 3 weeks vs. as much as 3 months via Med-Cal. This is very easy, but if you don't have access to a computer, you can contact HICAP for help applying.
- If you have drug Extra Help pricing and an assigned insurance carrier, that will continue for as long as you are in the program. Your carrier may be reassigned each year, but you can change that once a quarter in the first 9 months of the year if you wish.

Within one month of being approved, you should get a letter from the State of California Department of Health Care Services explaining the insurance payment for the 250% Working Disabled Program. It should include some information on where to send your payments. Always write on your check your Client ID Number located on your Medi-Cal Benefits Identification Card. Failure to make 2 payments in a row will result in your being dropped from the program. Check to see if your bank can set up automatic monthly payments. Your full Medi-Cal status will start once you make your first payment.

Your Medicare Part B premium will be paid by the State of California starting the effective date of your 250% Working Disabled approval. It can take 2 to 3 months for this to take place, but you will eventually be paid back any amounts deducted from your Social Security check after your approval date.

Continue to regularly receive funds from your employer. When you fill out the Annual Redetermination Form for Med-Cal, be sure to include that as 'wages income'. If you do an Income tax return, report the amount you receive as income as required by law. If your income changes be sure to notify Medi-Cal. This program allows for a 26-week period of unemployment each year.

One last reminder, when you turn 65, the Medi-Cal computer may not be programmed to continue the coverage you are entitled to. So, you should call on the month of your 65th birthday and ask a case worker to make sure that gets done.

Contra Costa HICAP: Call us at **(925) 655-1393** or **(800) 434-0222** or **(800) 510-2020**. **www.cchicap.org**

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LOCAL HELP FOR PEOPLE WITH MEDICARE